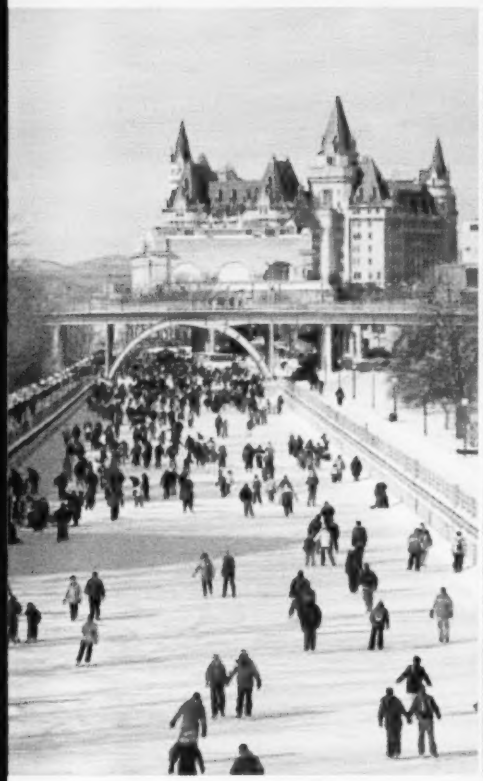
2010–2011 ANNUAL REPORT



Ontario Tourism Marketing Partnership Corporation

ONTARIO *Yours to discover* | OTMPC

An agency of the Government of Ontario

BOARD OF DIRECTORS, 2010–2011

(terms listed below as per year-end 2010–2011)

Mr. Antoni Cimolino
Interim Chair
General Director,
Stratford Shakespeare Festival
Stratford
December 6, 2010 – December 5, 2011

Ms. Anna Buchnea
General Manager Sales Development & Communications, Air Canada
Toronto
April 2, 2008 – April 1, 2011

Mr. Gilbert (Bud) Dickson
Owner, Canoe Canada Outfitters
Atikokan
September 20, 2010 – September 19, 2011

Mr. Peter C. Fullerton
Partner, Grant Thornton LLP
North York
March 23, 2011 – March 22, 2014

Mr. David Kuo
Vice President, Toronto Metro,
HSBC Bank Canada
Toronto
October 20, 2010 – October 19, 2013

Mr. Allan Luby
President, Captain, Lake Navigation (Kenora) Ltd.
Kenora
June 27, 2008 – June 26, 2011

Mr. Jim Marchbank
Chief Executive Officer, Science North
Sudbury
September 24, 2008 – September 23, 2011

Deputy Minister Chisanga Puta-Chekwe
Ministry of Citizenship and Immigration
Toronto
March 2, 2011 – March 1, 2014

Mr. Brian Richardson
Vice-President, Brand Marketing and Communications, Fairmont Hotels & Resorts
Toronto
June 11, 2008 – June 10, 2011

Mr. Jack Robinson
Chief Executive Officer, CN Tower
Toronto
June 11, 2008 – June 10, 2011

Mr. Sabir Sami
President, Yum! Restaurants Canada Inc.
Vaughan
February 9, 2011 – February 8, 2014

Mr. Gregory Treffry
Vice-President, Partner, Development
Shaw Media Inc.
Toronto
February 9, 2011 – February 8, 2014

MANDATE, MISSION, VISION

Mandate

OTMPC is governed by Ontario Regulation 618/98 made under the *Development Corporations Act*. Its mandate, as provided for in the regulation, is:

(a) to market Ontario as a travel destination;
(b) to undertake joint marketing initiatives with the tourism industry;
(c) to support and assist the marketing efforts of the tourism industry; and
(d) in cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The following principles support the mandate:

(a) OTMPC is to lead the marketing of Ontario as a travel destination nationally and internationally;
(b) OTMPC and regional organizations are to work together to market travel within Ontario;
(c) OTMPC is to deliver marketing services that contribute to regional and economic development;
(d) OTMPC is to become a centre of excellence supporting provincial marketing; and
(e) OTMPC is to engage in partnerships to support the above objectives.

Mission

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. The Corporation works strategically, proactively and collaboratively with the tourism industry to market Ontario's tourism experiences and leverage multi-year marketing opportunities and investments in key markets. By working to improve continuously and evolve as a successful private/public partnership, the OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

Vision

To inspire consumers to discover Ontario.

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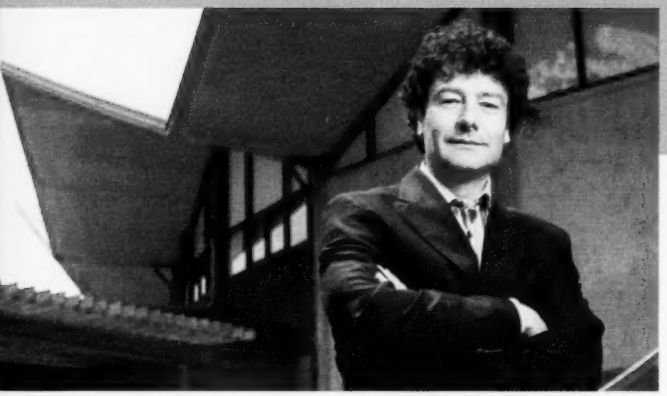


MESSAGE FROM THE CHAIR

As I reflect on the past year, I am encouraged by the positive changes I have seen throughout the tourism industry. I am equally inspired by the commitment to embrace change.

In 2009–10, the Ministry of Tourism and Culture implemented a new regional approach for tourism in the province. Ontario's tourism industry supported this important initiative, designed to create competitive and sustainable tourism regions, and in 2010–11 led the way with the introduction of 13 new Regional Tourism Organizations (RTOs).

Meanwhile, our national counterpart and partner in overseas promotions, the Canadian Tourism Commission (CTC), announced its intent to focus on international markets. The CTC's departure from the domestic market gives OTMPC an opportunity to take a leadership role in promoting Ontario as a tourism destination across North America. In overseas markets where the Canada brand leads, OTMPC will continue to leverage CTC's investments.

In June of 2010, China officially granted Approved Destination Status (ADS) to Canada, allowing Ontario to market directly to consumers in this important emerging economy. Ontario has since rolled out the red carpet to welcome tour groups from China and we're helping our tourism industry partners prepare for more visitors. OTMPC is also focusing on emerging markets such as India and Brazil, which are rapidly growing sources of international travellers.

All Ontario tourism partners share the same set of goals. We want to help attract more visitors, generate more economic activity and create more jobs across the province. To reach these goals, and to remain competitive in today's tourism market, OTMPC knows that this means working strategically and effectively with all our partners.

OTMPC's role is to continue to encourage Ontarians and visitors from abroad to experience our province, in the full expectation that domestic and international consumers will regain confidence in the economy.

In order to strengthen our organization, in 2010–11 OTMPC participated in a program review as recommended by the Ontario government's 2009 *Discovering Ontario* report. The implementation of these recommendations has already begun, helping to put us – and the industry as a whole – in a good position to grow tourism's contribution to the province. In the fall of 2010, an assessment was undertaken to identify organizational and governance requirements within the parameters of OTMPC's new role and in the context of the establishment of the RTO structure. At the same time,

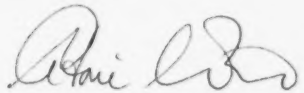
we embarked on an assessment of OTMPC's partnership programs, a process that included several consultations with industry. The objective is to align our partnerships with OTMPC priorities in order to achieve the most effective use of our marketing dollars.

We look forward to the results of these reviews in the coming year, as they will allow us to maximize the full potential of our partnerships and programs.

I am delighted to see that the results from the 2011 stakeholder survey proved once again that OTMPC's staff is considered the organization's greatest strength. A prime example: using innovative research, effective targeting and creative media, the OTMPC team developed a targeted multimedia strategy that spoke directly to Franco-Ontarians. As a result, OTMPC received an Award of Excellence for Services in French from the Ontario Office of Francophone Affairs. This award underscores OTMPC's commitment to marketing excellence and providing great service to all of Ontario's communities.

Finally, I would like to thank the board and committee members for their support, passion and dedication during the past year. The strong role our board members play is truly critical to OTMPC's success.

As we move forward, I encourage everyone in the tourism industry to come together and commit to building our wonderful Ontario brand together.



Antoni Cimolino
Acting Chair
Ontario Tourism Marketing Partnership Corporation

MESSAGE FROM THE PRESIDENT

We did it! The 2010–11 fiscal year marks the third and final year of an ambitious three-year strategy. Back in 2008–09 when we set out on this journey, our aim was to ensure that our organization had the right approach and tools to deliver results for the tourism industry.

Three years later, we have a strong consumer focus which includes insightful segmentation research we conducted to identify Ontario's best prospect customers. We have achieved marketing excellence with our targeted marketing approach and campaigns, such as our award-winning campaign. We pursue effective partnerships that align with our strategy in order to make the best use of our collective resources. We have a strong team and have begun to implement organizational excellence programs such as the National Quality Institute (NQI). Finally, we are committed to being results-driven with clear performance measures for all of our activities.

Over the past year, we started to see the industry rebounding from the global economic downturn. While border crossings from the United States (U.S.) continued to be a challenge, travel from overseas destinations and travel within the province showed improvement. On the international front, emerging markets such as India and China are starting to outpace our traditional markets in Europe and Asia.

Given this environment, our focus was on encouraging Ontarians to 'stay and play' in their own province. At the same time, we took advantage of once-in-a-lifetime international events, such as the G8/G20 Summits, to make Ontario a must-see destination for travellers around the world. Some highlights include:

- To further strengthen the Ontario brand, we continued with our popular campaign. To get Ontarians excited about summer, we introduced the lively Afro-Brazilian rhythms of the Aline Morales Band. From March 2007 to Winter 2011, the campaign has generated more than 2.5 million trips and $435 million in visitor spending in the province.
- We generated positive media stories through creative and innovative partnerships. We partnered with CityTV's *Breakfast Television*, Ontario's number one morning show, to showcase summer and winter offerings via live broadcasts in Gravenhurst, Ottawa and Collingwood.
- Building on our strategy to reach travellers in high-traffic locations, we partnered with the Ministry of Transportation to include a tourism presence in the new ONroute service centres on highways 401 and 400. In July 2010, we were pleased to open two staffed Ontario Travel Information Centres within the Bainsville and Tilbury service centres. This partnership will ultimately provide travel promotions in 23 ONroute service centres, allowing us to reach even more travellers and drive business into the regions.

- In November 2010, more than 560 industry executives joined us at the Ontario Tourism Summit. Held in partnership with the Tourism Industry Association of Ontario, this event continues to get bigger and better. The 2010 event generated the highest evaluation ratings in the Summit's seven-year history. We also merged the Ontario Travel Information Centre staff conference with the Summit, enabling travel counsellors to network with industry and to learn the latest industry trends from top-notch speakers.

Finally, I would like to thank Antoni Cimolino for taking on the role of Chair over the last year and for his dedication and commitment to our organization and our important objectives. His knowledge and unique experience are invaluable in helping us reach our goals.

Looking to the future, I am excited by all of the opportunities for Ontario. In the new world of tourism regions, we have already started to adjust our strategy to take on a regional approach to our work. We have also spent time meeting one-on-one with the RTOs and securing their partnership on priority projects such as consumer research, which will help us all target our marketing programs. In order to help align our efforts, we also developed a 10-year vision for the future that carves out a clear role for OTMPC, the new RTOs, the sectors and the industry at large.

Partnerships remain key to our success. We look forward to working with our regional partners to make the most of our collective marketing dollars. Working in concert, we will help Ontario succeed in today's competitive tourism market.

I look forward to working together to drive even more business to Ontario!

Robin Garrett
President & CEO
Ontario Tourism Marketing Partnership Corporation

CORPORATE OVERVIEW

Core Functions

Consumer Marketing
OTMPC's consumer marketing efforts use a multimedia approach to connect with consumers. Mass media is used to build awareness of Ontario as a great destination and motivate consumers to seek more information online, while online and mobile activities allow consumers to get as much detail as they need to plan their trip.

Media Relations
OTMPC undertakes to develop and maintain close working relationships with members of the media in priority Canadian, U.S. and overseas markets with special emphasis on customized individual media tours, as well as media marketplaces and events.

Northern Ontario
A specific program is designed to foster visitation to Northern Ontario, focusing on marketing the region's world-class outdoor products, including fishing, snowmobiling and paddling.

Travel Trade
OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers, travel agents and automobile clubs. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in domestic, U.S. and overseas markets.

Meetings, Conventions & Incentive Travel (MC&IT)
OTMPC aggressively markets Ontario's diverse meeting destinations and products through industry partnership activities to generate increased leads through strategic sales and marketing in Canada, the U.S. and overseas.

Industry Relations
The industry relations unit works to effectively partner with the tourism industry to market Ontario as a year-round travel destination.

Partner Sales
OTMPC offers its partners the opportunity to market their products under the Ontario brand and to enter important or new markets that might be challenging to access on their own. These sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million-dollar annual program.

Ontario Travel Information Centres (OTICs)
Travel centres are Ontario's official welcome centres. Operated and staffed by trained OTMPC counsellors, they provide visitors with essential, practical, on-the-spot information and advice on where to go and what to see and do in Ontario.

Corporate Communications
Working closely with marketing, sales and media relations staff, corporate communications develops and implements targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences. The annual Ontario Tourism Summit, a business conference for more than 500 tourism executives to provide education and networking opportunities, is one of the programs undertaken.

CORPORATE GOVERNANCE

OTMPC is governed by a Board of Directors made up of business leaders who are appointed by the Lieutenant Governor in Council based on recommendations from the Minister of Tourism and Culture. The Board provides industry leadership, and policy and strategic direction to the operation of OTMPC, is responsible for the overall management of OTMPC and is accountable to the Minister.

The Directors may also sit on one of four committees: the Executive Committee, the Nominations Committee, the Finance and Audit Committee or the Marketing Performance Assessment Committee. OTMPC works with more than 100 committed industry members through its corporate governance structure.

Executive Committee
The committee sets priorities and recommends objectives and strategies to the Board.

Finance and Audit Committee
The committee oversees and monitors OTMPC's financial reporting.

Marketing Performance Assessment Committee
The committee ensures appropriate performance measures are in place and reviewed on a regular basis.

Nominations Committee
The committee is responsible for succession planning for the committees and Board.

The Board relies on input from five industry-led working committees reporting through committee chairs. Each team of industry professionals is comprised of 12 to 15 volunteer members. Committees and OTMPC staff collaborate to develop marketing strategies, tactics and partnership programs that make up the annual OTMPC marketing plan.

These committees support the Board by providing input in the development of OTMPC's marketing strategies and programs. Pending implementation of the program review recommendations, these committees will be transitioning into the two committees named in the program review implementation plan completed in the summer of 2010.

Committee/Subcommittee	Function
North America	Identifies, develops and monitors marketing strategies, tactics and programs for the domestic and key U.S. markets.
Meetings, Conventions & Incentive Travel (MC&IT)	A subcommittee of the North America committee that identifies, develops and monitors marketing strategies, tactics and programs for key MC&IT markets.
Northern Tourism Marketing	Identifies, develops and monitors marketing strategies, tactics and programs for key Northern Ontario markets.
Overseas	Identifies, develops and monitors marketing strategies, tactics and programs for key Asia-Pacific and European markets.
Outdoor	Identifies, develops and facilitates outdoor experiences, packaging programs and product alliances.

OPERATIONAL PERFORMANCE

In 2010–2011, the OTMPC focused its activities on four signature deliverables:

1. BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES.
2. INCREASE NUMBER OF CONSUMERS WE 'TOUCH' (VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS).
3. LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS.
4. IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS.

Final results for these deliverables are outlined in the following performance tables.

1 BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES.

Build a strong brand that showcases Ontario's diverse experiences both cultural and outdoor by using innovative techniques and technologies to market Ontario.

Summer

A main priority for OTMPC is the promotion of Ontario's brand image throughout the year. During the summer, brand awareness[1] of Ontario for short getaways was above target in Ontario (67% actual vs. 63% target) and in the U.S. near border markets (16% vs. 10%), while awareness in Montreal was lower than targeted (34% vs. 38%).

OTMPC's summer marketing activities began with the launch of television advertising featuring Ontario musician Aline Morales. The television campaign aired on major networks in Ontario while the Justin Hines TV ad ran in Winnipeg. Three new 30-second radio spots were broadcast in key Ontario and Winnipeg markets. Each spot had a Southern Ontario and Northern Ontario version. The campaign also included the distribution of 425,000 English and 50,000 French summer publications via Ontario newspapers.

The Franco-Ontario campaign launched with radio spots in various Ontario markets. Knowing that Franco-Ontarians would better connect with a 'home grown' French accent, OTMPC had the signature song recorded by Franco-Ontarian musician Cindy Doire. To further tailor the song to Franco-Ontarians, OTMPC had new lyrics written in French.

OTMPC launched www.ontariotravel.net/summer which resulted in a 6.35%[2] conversion rate. From late June, Ontario was host to the G8/G20 Summits. OTMPC partnered with all levels of government, as well as Tourism Toronto, to attract 3,000 G8/G20 media to the International Media Centre/Experience Canada pavilion in Toronto bringing global attention to Ontario.

OTMPC used the opportunity to build international profile and inspire people around the world to visit Ontario. Working with government and industry partners, Ontario hosted more than 3,000 accredited journalists. The results were very positive: in the short term, 72 stories in prestigious media outlets ranging from *The Berliner Zeitung* in Germany to *The National Geographic Traveler* were published. Longer term, Ontario will be able to follow up with and pitch to a list of more than 3,000 domestic and international journalists.

Fall/Winter

Brand awareness for short getaways during the winter season was on target for Ontario (58% vs. 59%)[3].

OTMPC launched the winter campaign using various media. The campaign included: television spots featuring musician Alex J. Robinson on major Ontario networks; four new 30-second radio spots focusing on winter outdoor experiences; a Franco-Ontario radio spot airing for four weeks; a winter website (www.ontariotravel.net/winter) with

a 'Book Two Nights and Get the Third Night Free' offer; and a 'Love Winter' promotion in Collingwood in partnership with CityTV's *Breakfast Television* and *CityLine* and industry partners which reached over 250,000 viewers across the province.

OTMPC distributed 400,000 copies of a 48-page winter retail publication (English and French) across Ontario in such outlets as *The Windsor Star, North Bay Nugget, Peterborough This Week, The Toronto Star, Londoner* and *Thunder Bay Source* and promoted 'Book Two Nights and Get the Third Night Free' in all activities to drive consumers to www.ontariotravel.net/winter. The promotion resulted in a 4.5%[2] conversion rate.

Program	Objective	Performance Measure		2009–10 Actual			2010–11 Target			2010–11 Results			
Build a strong brand that showcases Ontario's diverse experiences	To increase Ontario's brand awareness in all four seasons in key markets (domestic & U.S.) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways through use of market based consumer surveys (which destination or place first comes to mind when thinking of taking a short getaway of 1 to 3 days away from home)		**Ont.**	**Montreal**	**U.S. Near**	**Ont.**	**Montreal**	**U.S. Near**	**Ont.**	**Montreal**	**U.S. Near**	
			S4	65%	38%	16%	65%	38%5	16%	67%	34%	16%	
			F3	63%	40%	13%	58%	30%	20%	n/a	n/a	n/a	
			W	72%	43%	16%	59%	30%	18%	58%	n/a	n/a	
				Ont.	**Montreal**	**U.S. Near**	**Ont.**	**Montreal**	**U.S. Near**	**Ont.**	**Montreal**	**U.S. Near**	**U.S. Mid**
	To strengthen Ontario's distinct brand image versus the competition	Good place for short getaways	S	8.5	7.3	7.5	8.5	7.3	7.5	8.7	7.5	7.7	6.3
			F3	8.6	7.6	7.9	8.6	7.6	7.9	n/a	n/a	n/a	n/a
			W	8.6	7.5	7.8	8.5	7.0	7.1	8.6	n/a	n/a	n/a
		A place where it is easy to have a vacation	S	8.5	7.6	7.2	8.5	7.6	7.2	8.6	7.9	7.5	7.1
			F3	8.7	7.9	7.3	8.7	7.9	7.3	n/a	n/a	n/a	n/a
			W	8.5	7.9	7.6	8.4	7.2	6.9	8.6	n/a	n/a	n/a
		A place that has a lot to see and do	S	8.5	7.4	8.0	8.5	7.4	8.0	8.5	7.9	8.1	7.8
			F3	8.6	7.7	8.0	8.6	7.7	8.0	n/a	n/a	n/a	n/a
			W	8.5	7.6	8.1	8.7	7.0	7.2	8.6	n/a	n/a	n/a
		A place where you can experience something new and different	S	7.5	6.6	7.7	7.5	6.6	7.7	7.8	7.1	7.7	7.6
			F3	7.7	7.1	7.6	7.7	7.1	7.6	n/a	n/a	n/a	n/a
			W	8.0	6.8	7.6	7.5	6.0	7.0	7.6	n/a	n/a	n/a
Core Program	To increase return on brand and partnered program investments made by OTMPC	Return on Investment (ROI) is the incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs for Ontario		**Ont.**			**Ont.**			**Ont.**			
			S	$8.95:1			$5.50:1			$15.10:1			
			F3	$56.30:1			n/a			n/a			
			W	$10.90:1			$18.70:1			$27.70:1			

1 Following the Summer 2010 Ontario advertising campaign, the OTMPC commissioned TNS Canada to assess the effectiveness of the campaign. The assessment was comprised of two phases: Phase I comprised the initial ad assessment; Phase II of the assessment was based on return to sample (RTS) interviewing to complement the initial assessment. There were 1,009 respondents to the main study and 781 completing the RTS with a completion rate of 77%. Prior to tabulation, the data was weighted to segment proportions, as well as regional and demographic proportions within each market. Fieldwork for Phase I was conducted between June 14 and 24 (Wave 1) and between July 12 and 21, 2010 (Wave 2). Fieldwork for Phase II (RTS) was conducted between September 27 and October 4, 2010. Winter tracking fieldwork for Phase I was conducted between February 18 and 27, 2011; fieldwork for Phase II (RTS) was conducted between April 1 and 10 with a total of 760 respondents.

2 25% of partners reported.

3 Fall ad tracking shifted to winter (fourth quarter) given that there were no mass media tactics in market in the fall. As a result, the fall target has been corrected to reflect this shift.

4 Summer, Fall, Winter; respondents to the ROI survey were asked the extent to which any Ontario advertising they have seen or heard within the past few months influenced their decision to take any pleasure trips to/within Ontario during June, July and August. The 'Stated Impact' ROI Analysis is conducted using the following definition of impact or influence: Definitely recall of at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel to/within Ontario.

5 Weaker spring awareness for Montreal is due to economic conditions where consumer travel behaviour is increasingly difficult to influence.

2 INCREASE NUMBER OF CONSUMERS WE 'TOUCH' (VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS).

The media relations team achieved a series of high-profile media stories including coverage in *The New York Times* and *The Washington Post* and on www.usatoday.com and CBC Radio's *Fresh Air*.

During Tourism Week in early June, OTMPC launched five major events at travel centres across the province to motivate Ontarians to vacation in Ontario. The efforts generated media coverage valued at $1.1 million and an audience reach of more than 10 million. Hundreds of industry partners were engaged in this activity.

Program	Objective	Performance Measure	2009–10 Actual	2010–11 Target	2010–11 Results
Media/Public Relations (PR)	To develop effective media promotions strategies that showcase Ontario's unique experiences	Program's operational costs leverage significant advertising/ PR value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets	$188M[6]	$184M	$163M
Ontario Travel Information Centres	To increase visitation to the Ontario Travel Information Centres	Number of visitors to the Ontario Travel Information Centres	1.0M	1.2M	1.0M[7]
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	378K	500K	400K[8]
Consumer Website	To provide information and generate interest in travel to Ontario	Web user sessions	3.6M	3.0M	4.3M

6 During a challenging period for the print media, several newspapers and magazines suspended operations while most others decreased their operating budgets. This impacted the volume of travel journalism. OTMPC has also been transitioning its media relations efforts to online and social media, where consumer views can be higher but the independent valuation of unpaid media coverage is lower.

7 The majority of OTICs are located at Ontario-U.S. border crossings. Confusion about documentation requirements, high gas prices and the economic downturn have continued to negatively impact U.S. visitation which has negatively impacted OTIC visitation.

8 Decreased U.S. visitation has also negatively impacted consumer inquiry results.

3 LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS.

Throughout the year, OTMPC supported various industry partner initiatives, approving 111 events for funding through the Tourism Event Marketing Partnership Program (TEMPP).

Some of this support included partnering with: Festivals and Events Ontario to produce more than 250,000 copies of the 2010–11 *Festivals and Events in Ontario* guide; Attractions Ontario to produce and distribute more than 900,000 copies of the 2010 *Attractions Ontario Passport* magazine and coupon book; Resorts of Ontario to generate 1.3 million inserts distributed to couples and families; and an industry consortium including Tourism Toronto, Air Canada and the Greater Toronto Airport Authority to conduct an on-line marketing campaign targeted at the U.S. market for the summer and fall seasons.

OTMPC was successful in bringing the industry together for the first time to provide common retail offers for summer 2010 and winter 2011. These included a 'Stay and Play' package in the summer and a 'Book Two Nights and Get the Third Night Free' offer in the winter.

Program	Objective	Performance Measure	2009–10 Actual	2010–11 Target	2010–11 Results
Industry Partnerships	To develop partnered (public and private) programs with the tourism industry thereby leveraging OTMPC's marketing investment for the benefit of Ontario's tourism industry	Cash – dollar amount received by OTMPC from a partner for participation in OTMPC delivered programs	$1.0M	$1.3M	$1.8M
		Leverage – the dollar amount that OTMPC's investment in a partners' program (private and public) triggers in additional investment	12.6M	10.5M	11.9M
	To increase revenues as a result of advertising sales	Direct sales revenues	1.5M[9]	1.5M	1.3M
	To increase revenues generated through advertising sales, merchandising and currency exchange services	Ontario Travel Information Centre revenues	364K	400K	359K

Note: OTMPC's investment in partner-led marketing initiatives is partially matched by partners thereby increasing the amount of marketing to consumers and driving increased visitation for the overall benefit of the province.

9 Direct sales remained flat, slightly below target due to a poor economic climate.

4 IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS.

Improving organizational effectiveness remains a top priority for OTMPC.

OTMPC commissions an independent research consultant annually to conduct a stakeholder satisfaction survey. In 2010–11, OTMPC was able to maintain satisfaction ratings for its overall performance and value for money and for its programs and services; staff continue to be rated very highly and significant improvements have been made in satisfaction with staff and in industry communications.

OTMPC's Franco-Ontarian campaign was identified as a best practice for French advertising by Ontario's French Language Services Commissioner. In addition, OTMPC received an Award of Excellence for Services in French from the Ontario Office of Francophone Affairs.

Program	Objective	Performance Measure	2009–10 Actual	2010–11 Target	2010–11 Results
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.6/10[10]	6.6/10	6.6/10
	To improve organizational effectiveness	Measure degree to which employees feel engaged	Survey conducted in 2008/09	77%	75%

10 Overall user satisfaction with OTMPC is consistent with 2009 and up significantly from 2007.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2011

This year, in addition to OTMPC's core allocation of $43,091, the Ministry of Tourism and Culture provided additional funding in the amount of $1,890 for strategic projects. These projects included funding for marketing the International Indian Film Awards (IIFA) that were held in Toronto in June 2011, funds to undertake Canada's Great Outdoors marketing campaign focusing on angling and soft outdoor adventure in the key markets of Illinois, Wisconsin and Minnesota and funds for providing students with summer work experience in the travel industry. Revenue from industry and other sources remained comparable to prior years.

Expenditures were on target with budget. OTMPC finished the year in a strong position with a modest surplus that was a result of research and IT projects that were not completed by March 31 due to timing issues. These funds were applied to the 2011–12 budget to cover the final costs of the projects.

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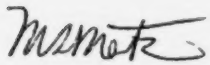
MANAGEMENT REPORT

OTMPC 2010–2011

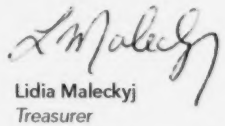
The accompanying financial statements are the responsibility of the management of the Ontario Tourism Marketing Partnership Corporation. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting policies. The statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Corporation's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by BDO Canada LLP, a firm of independent external auditors appointed by the Board of Directors, whose report follows.



Marlene Stirrett-Matson
Director, Corporate Services
June 23, 2011



Lidia Maleckyj
Treasurer
June 23, 2011

INDEPENDENT AUDITOR'S REPORT

OTMPC 2010–2011

To the Board of Directors of the Ontario Tourism Marketing Partnership Corporation

We have audited the accompanying financial statements of Ontario Tourism Marketing Partnership Corporation, which comprise the balance sheet as at March 31, 2011, statement of operations, statement of changes in fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Tourism Marketing Partnership Corporation as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants
Mississauga, Ontario
June 23, 2011

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BALANCE SHEET

OTMPC 2010–2011

March 31	2011 ($ 000)	2010 ($ 000)
ASSETS		
Current		
Cash	**6,205**	3,136
Accounts receivable	**1,733**	930
Due from the province	**10,881**	6,857
Inventory	**106**	116
Prepaid expenses	**106**	35
	19,031	11,074
Capital assets (Note 3)	**4,474**	4,138
	23,505	15,212
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**6,817**	8,397
Deferred revenue (Note 4)	**9,785**	1,539
	16,602	9,936
Deferred capital contributions (Note 5)	**560**	–
	17,162	9,936
Contingent liability (Note 12)		
Fund Balances		
Investment in capital assets	**3,914**	4,138
Unrestricted	**2,429**	1,138
	6,343	5,276
	23,505	15,212

Approved on behalf of the Board:

Chair

Director

STATEMENT OF OPERATIONS

OTMPC 2010–2011

For the year ended March 31	2011 ($ 000)	2010 ($ 000)
Revenues		
Province of Ontario Grant (Note 6)	**44,981**	50,798
Advertising sales	**2,273**	2,189
Travel Information Centres – Sales and rentals	**908**	888
Interest income	**81**	18
Trade promotions	**203**	135
Government of Canada	**96**	100
Marketing research and other revenue	**176**	171
	48,718	54,299
Expenses		
Advertising and marketing	**24,139**	29,062
Partnerships and sales	**1,713**	2,366
Travel Information Centres (Note 7)	**6,841**	6,484
Administration (Note 8)	**7,079**	6,961
Tourism consumer information services	**2,870**	2,860
Events marketing program	**2,908**	4,161
Research	**949**	1,017
Amortization of capital assets	**1,121**	915
Board and committee expenses (Note 9)	**31**	62
	47,651	53,888
Excess of revenues over expenses	**1,067**	411

STATEMENT OF CHANGES IN FUND BALANCES

OTMPC 2010-2011

For the year ended March 31, 2011

	Unrestricted ($ 000)	Investment in Capital Asset ($ 000)	2011 Total ($ 000)	2010 Total ($ 000)
Net assets, beginning of the year	**1,138**	**4,138**	**5,276**	4,865
Excess (deficiency) of revenues over expenditures for the year	**2,188**	**(1,121)**	**1,067**	411
Purchase of capital assets, net	**(897)**	**897**	**–**	–
Net assets, end of year	**2,429**	**3,914**	**6,343**	5,276

STATEMENT OF CASH FLOWS

OTMPC 2010–2011

For the year ended March 31	2011 ($ 000)	2010 ($ 000)
Cash provided by operating activities		
Excess of revenues over expenses	**1,067**	411
Add non-cash items:		
Amortization of capital assets	**1,121**	915
	2,188	1,326
Change in non-cash working capital	**1,778**	173
	3,966	1,499
Cash used in investing activities		
Capital asset additions	**(1,457)**	(1,256)
Cash obtained through financing activities		
Deferred capital contribution	**560**	(1,256)
Increase in cash during the year	**3,069**	243
Cash, beginning of year	**3,136**	2,893
Cash, end of year	**6,205**	3,136

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2011

OTMPC 2010–2011

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. The Corporation commenced active operations on April 1, 1999. The objects of the Ontario Tourism Marketing Partnership Corporation are:

(a) to market Ontario as a travel destination;
(b) to undertake joint marketing initiatives with the tourism industry;
(c) to support and assist the marketing efforts of the tourism industry; and
(d) in cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. However, related partner revenues and expenses are not included in the Corporation's financial statements.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue Recognition

The corporation follows the deferral method of accounting for revenues.

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – Sales and rentals

Revenue from Advertising sales and Travel Information Centres – Sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest Income is recognized in the period in which it is earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Partner Support

The Corporation benefits from donated services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Inventory

Inventory is comprised of merchandise available for sale at the Travel Information Centres.

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) Capital Assets

All capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over three to five years.

Assets in progress represent assets under construction or development. These assets are not amortized until they are put in use.

(f) Deferred Capital Contributions

Deferred capital contributions represent amounts received from Ministry of Tourism and Culture to finance the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related assets.

(g) Funds Invested in Capital Assets

Funds invested in capital assets represents funds provided for capital assets. The financing of funds invested in capital assets is transferred from operations on an annual basis.

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(i) Financial Instruments

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or

credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Corporation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Loans and receivables
These assets are non-derivative financial assets, recognized at fair value, resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts receivable), but also incorporate other types of contractual monetary assets.

Other financial liabilities
Other financial liabilities are recognized at fair value and include trade payables and other short-term monetary liabilities.

(j) **Capital Management**
The Corporation's capital consists of its fund balances. The Corporation's primary objective of capital management is to ensure that it has sufficient resources to continue to promote tourism in Ontario. The Corporation is not subject to any externally imposed capital requirements.

3. CAPITAL ASSETS

	2011 ($ 000)			2010 ($ 000)
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Furniture	**333**	**180**	**153**	215
Leasehold improvements	**1,565**	**765**	**800**	1,060
Tourism consumer information system	**4,328**	**2,017**	**2,311**	2,863
Assets in progress	**1,210**	**–**	**1,210**	–
	7,436	**2,962**	**4,474**	4,138

4. DEFERRED REVENUE

	2011 ($ 000)	2010 ($ 000)
Ministry of Tourism and Culture		
Regional web	**140**	–
TCIS – redevelopment	**5,000**	–
Research – RTO projects	**1,000**	–
RTO Project funding	**454**	–
OTICs	**200**	–
TEMPP	**160**	–
Convention development	**2,750**	–
International Indian Film Awards	**–**	1,500
Advertising programs	**81**	39
	9,785	1,539

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received relating to assets in progress:

	2011 ($ 000)			2010 ($ 000)
	Contributed	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Contributions received in the year	**560**	**–**	**560**	–

6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2011 ($ 000)	2010 ($ 000)
Core funding	**38,760**	38,552
Travel Information Centres	**4,331**	4,331
Great Outdoors Project	**351**	–
Events Marketing	**314**	275
International Indian Festival Awards	**660**	–
TCIS Solutions Architect and Grants Review	**145**	–
Media Buys	**66**	5,857
Summer Experience Program	**354**	333
VANOC Funding deferred from 08/09	**–**	450
Stratford and Shaw Festival Funding	**–**	1,000
	44,981	50,798

7. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2011 ($ 000)	2010 ($ 000)
Salaries and benefits	**3,577**	3,382
Accommodation	**1,927**	1,886
Services	**502**	498
Transportation and communications	**197**	160
Supplies and equipment	**73**	68
Merchandise for sale	**565**	490
	6,841	6,484

Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $167,391 (2010 – $144,596).

8. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services were provided by the Ministry of Tourism without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2011 ($ 000)	2010 ($ 000)
Salaries and benefits	**5,863**	5,767
Services	**1,046**	983
Transportation and communications	**136**	157
Supplies and equipment	**34**	54
	7,079	6,961

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $361,607 (2010 – $350,380).

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

10. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act*, 1996 required disclosure of Ontario public-sector employees who were paid an annual salary in excess of $100,000. For the Corporation, in the calendar year 2010, this disclosure requirement is as follows:

Name	Position	Salary ($)	Taxable Benefits ($)
Garrett, Robin	President/Chief Administrative Officer	$167,069	$282
Kenny, William	Vice-President, Industry Relations	$136,915	$221
Lanyon, Mary-Ann	Vice-President, Marketing and Sales	$131,000	$221
Holliday, Julia	Director, Interactive Marketing and Call Centre	$117,842	$187
Milner, Christopher	Director, Northern Partnerships	$114,693	$186
Rubinstein, Suzanne	Director, Ontario Travel Information Centres	$114,693	$186
Mathias, Raymond	Director, Overseas Marketing	$114,693	$186
Stirrett-Matson, Marlene	Director, Corporate Services	$112,960	$183
Nahm, Jane	Manager, Operations	$110,002	$162
Pezzutto, Mara	Manager, North America Marketing	$105,320	$171
Ramkissoonsingh, Narvin	Director, Partnerships	$105,298	$176
Tuckett, Debbie	Projects Coordinator, Industry Relations	$102,339	$156
Hamazaki, Harvey	Trade Consultant, Asia	$100,008	$192

11. COMMITMENTS

The corporation has various operating leases for its premises and advertising. The minimum annual payments for the next five years and thereafter are as follows:

	($ 000)
2012	981
2013	981
2014	894
2015	792
2016	579
Thereafter	1,236

12. CONTINGENT LIABILITY

The Corporation is involved in a dispute with a former supplier over amounts billed to the Corporation of approximately $1.5 million. Management is vigorously defending its position. The outcome is not determinable. However, being conservative, the Corporation has accrued $220,000 for any potential liability.

EXPLORE AND DISCOVER REGIONS OF ONTARIO

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1 Turkey Point **2** Niagara Falls **3** Royal Botanical Gardens, Burlington/Hamilton **4** Bayfield **5** Toronto **6** Canada's Wonderland, Vaughan
7 Scenic Caves Nature Adventures, Collingwood **8** Burleigh Falls **9** Kingston **10** Parliament Hill, Ottawa **11** Ottawa River
12 Parry Sound **13A** Sudbury **13B** Sault Ste. Marie **13C** Thunder Bay